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# FEATURE ARTICLE

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## Defense Security Assistance Management System (DSAMS)

By

LCDR Nels E. Berdahl, SC, USN

There is nothing more difficult to plan, more doubtful of success, nor more dangerous to manage than the creation of a new system.

Niccolo Machiavelli 1513

Relationships between countries have changed dramatically in the last nine years.<sup>1</sup> Military components of the U.S. Department of Defense (DoD) have also been changing in response to new missions and shrinking resources. People in organizations everywhere are trying to do more with a shrinking resource base. Technology cycle times are shortening too, and there is more computing power in the average DISAM desktop computer of today than in some mainframes of ten years ago. How do we keep up with all these changes? What's more, listen to the views of Foreign Military Sales (FMS) case managers and customers:

- FMS is too slow.
- The FMS system doesn't respond quickly enough to customer requests.
- FMS is too inflexible.
- Our systems need to be updated.

And consider also the comments from a wider "Stakeholder" perspective:

- U.S. taxpayers – Keep running the FMS program at minimum/no cost to the U.S. taxpayer.
- Congress – Maintain close oversight of significant sales.
- State Department – As architect of U.S. foreign policy, expect DoD to be able to respond quickly to new program requirements and initiatives.
- Defense Department – Set implementation policy and maintain fiscal accountability.
- Military Departments – Improve coalition warfighting capability and interoperability.
- U.S. Industry – Make sure we get paid on time.

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<sup>1</sup>The November 1989 opening of the Berlin Wall was a trigger event for significant international political change, the impact of which is still evolving in various ways and organizational levels around the world.

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## What to Change?

Whatever one's view of government to government Foreign Military Sales (FMS) programs, most FMS customers would agree that the FMS program is generally slow, fairly inflexible, and difficult to reconcile. Many of the FMS program problems stem from the lack of a uniform information system (IS) in which to manage FMS cases. While policy-making has been centralized for DoD in the Defense Security Assistance Agency (DSAA) since 1971, information systems used to manage programs have largely been the province of the individual agencies charged with executing LOAs. The cost of updating the systems had been steadily increasing over the years, and the security assistance information systems were funded through FMS administrative funds. So what to change is easy—the IS!

## Change to what?

What is an ideal information system for Security Assistance? It must be simple to use and comprehensive. It must handle all aspects of foreign military sales contracts (Letters of Offer and Acceptance, the LOA) and be capable of handling other foreign policy programs as well, e.g., peacekeeping operations, leases, and international cooperative armaments endeavors. It must protect U.S. foreign policy interests by permitting enterprise-wide monitoring of FMS business operations, and must enable future coalition efforts by providing a reliable, quick, and straightforward system in which to provide support to our partners. This new information system should help the military departments meet and exceed FMS customer expectations at reasonable cost. Finally, reconciliation must be performed at the touch of a button.

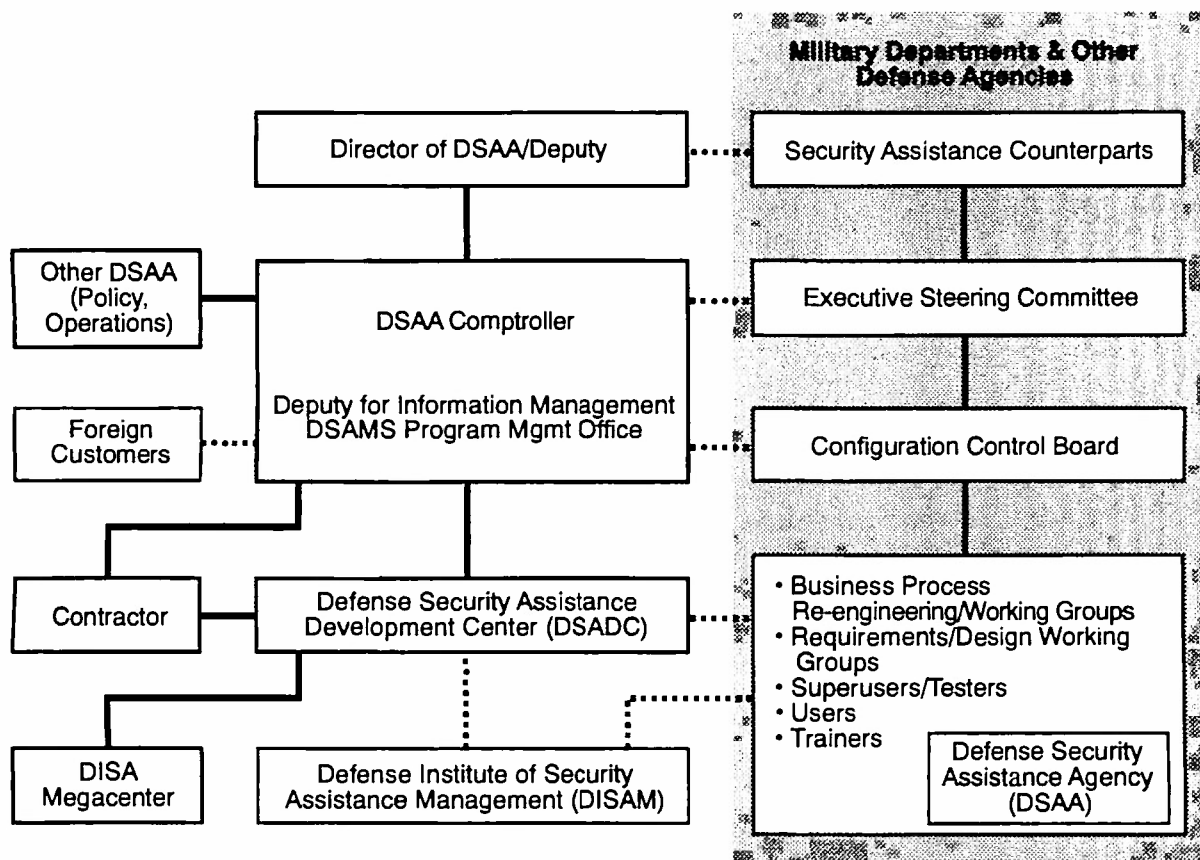
## How to achieve change?

One difficult part of change in a dynamic operating environment is figuring out how to get there. How can development of a new information system be funded without increasing the FMS administrative cost to the foreign customer or requesting appropriations from Congress? How can a system be developed that meets the needs of all stakeholders in the process?

The first step in the process was to identify a source of funding. Following the corporate business models of the day (helped along by Defense Management Review Decisions), the three largest security assistance management information systems, in terms of cost and processing requirements, were physically consolidated at the Defense Information Service Agency (DISA) computer Megacenter in Oklahoma City by early 1996.<sup>2</sup> Development of the Defense Security Assistance Management System (DSAMS) has been, and will continue to be funded with the cost savings already realized by this consolidation of the Security Assistance Management Information System (SAMIS-Air Force), Centralized Information System for International Logistics (CISIL-Army and other defense agencies) and the Management Information System for International Logistics (MISIL-Navy and Marine Corps). Thus the level of DSAMS project funding, and to a related extent the pace of project development, is constrained by the level of saving to the FMS administrative fund realized by the above mentioned consolidation.

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<sup>2</sup> For a more detailed background discussion of the history of DSAMS program development, see Chester J. Freedenthal's article, "DSAMS—Information Serving Security Assistance," in the summer 1997 issue of *The DISAM Journal*.



**Figure 1: DSAMS Organizational Structure**

### **Who is going to do all this?**

Army, Air Force, and Navy personnel began by defining requirements for the new system. A Program Management Office (PMO) was established within DSAA to manage the program, and a contractor group began the actual programming of the first module of the new system, the Case Development Module (CDM). The development team eventually expanded to include government programming experts who previously were responsible for some of the military department systems. This group, the Defense Security Assistance Development Center (DSADC), was officially established in the fall of 1997. Figure 1 shows the relationships and responsibilities of the current DSAMS team.

Following extensive testing of the CDM and official approval by DSAA to offer the DSAMS Letter of Offer and Acceptance (LOA) to FMS customers (see attachments to this article), the first production use of DSAMS was in February of 1998 with case writing functionality for the Navy International Programs Office (Navy IPO), Naval Inventory Control Point International Programs Directorate (NAVICP/OF), and Navy Education and Training, Security Assistance Field Activity (NETSAFA). In the fall of 1998, Army Security Assistance activities will begin production use of the case development functionality of DSAMS, originally known as the Case Development Module (CDM).

Several changes in development strategy have taken place since the early days of the project. Initial production use was in DSAMS version 2.8. The functionality that is designed for release in subsequent versions and the deployment methodology change from "modules" to "DSAMS releases" can be seen in Figure 2.

Release 2	<i>Case Development</i> functionality for part of Navy (IPO, NAVICP, NETSAFA)	Deployed in Feb 98 First live production use of DSAMS
Release 3	<i>Case Development</i> functionality for Army and rest of Navy	Deployed to 3 Navy sites in May 98 Current live version is 3.05
Release 4	Technical upgrade of software packages needed for Year 2000 compliance	Deployment begins in Aug 98 Army will implement by Oct 98
Release 5	<i>Case Development</i> functionality for Air Force	Deployment to all MILDEPs will be complete by Apr 99
Release 6	<i>Case Implementation</i> functionality for all services <i>Case Development</i> functionality for Leases & Letters of Intent	Deployment planned for Jul 99 Combined DSAMS releases from this point forward
Release 7 & 8	<i>Training</i> functionality for <i>Case Development/Implementation/Execution</i> <i>Case Development</i> functionality for EDA, PKO, Drawdown & Grant	Deployment in 2000
Case Execution	Releases subsequent to 7/8 have not been numbered. Multiple working groups represented by DSAA, MILDEPs, DLA and DFAS continue to standardize/re-engineer business processes	Groups include: Process Order, CLSSA, Manage Finances, Non-Standard Requisitioning, and others

**Figure 2: DSAMS Deployment Status (7 Jul 98)**

The DSAMS release terminology is only one of the changes in the project that have occurred since publication of Chester Freedenthal's article in the DISAM Journal last summer. Another example of change is the Supply Tracking and Repairable Return/Personal Computer system, STARR/PC. DSAA/PMO has decided to upgrade this system, used by many FMS customers to submit and monitor requisitions, to a Windows-based system, now known as STARR/PC2, that will ultimately be incorporated (by integration or interface) into the DSAMS system.

A major IS development project like DSAMS involves a great number of interface transactions with other (non-Security Assistance) information systems that process requirements for contracting and requisition management. The Information Technology Management Reform Act (ITMRA), also known as the Clinger-Cohen Act, and various government agency Year 2000 program improvements have increased the complexity of the external environment for DSAMS development. This is especially true of the accounting systems managed by the Defense Finance Accounting Service (DFAS). Other organizational changes, like the current expansion of DSAA into the Defense Security Cooperation Agency, will also create the need for modifications to the original program design before completion of DSAMS. So, as pointed out by Mr. Freedenthal of the DSAMS PMO, changes are an inevitable part of the DSAMS development process.

### **Development: Technology in the 90s**

As first described by Mr. Freedenthal, DSAMS is being developed using a client-server model. One of the primary benefits of this model is data consistency. No matter what activity or location is entering data into DSAMS, other activities will have visibility of the FMS case as it is being developed, and system wide changes can be introduced more quickly. This is because changes in business rules and reference data need only be entered by a single source to be

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immediately disseminated to all users. DSAMS is also being developed using commercial off-the-shelf software tools that are windows-compatible. Standardized management reports will provide more consistent metrics on activity performance, and ultimately will result in a more consistent set of tools to use for FMS Case Reconciliation Reviews, since the system will be used by the U.S. Army, Navy, Air Force, and the Defense Logistics Agency (DLA) and other defense agencies.

### **Smooth sailing ahead?**

What is the near-term impact of DSAMS for the Security Assistance community besides lots of change? While improvement in response time to new FMS customer requests is expected, the conversion of existing FMS cases into the DSAMS environment is going to present new challenges for personnel who need to write amendments and modifications to FMS cases originally implemented in previous systems. Any errors in data entered in previous systems will have to be resolved in DSAMS, which has more rigorous business rule enforcement than previous systems. Short "black out" periods (approximately two weeks) will also be experienced when the military departments are converting data from their old system into DSAMS. Since it is neither practical nor desirable to "freeze" FMS business, there is the "one time" hurdle of monitoring cases that were developed, signed, and offered to FMS customers in the old systems, which will be implemented subsequently in DSAMS. Security Assistance Officers (SAO) should increase their monitoring of FMS cases during the transition periods (see earlier DSAMS deployment chart) and contact the appropriate FMS case management office if LOAs are not offered when expected. As the Journal went to press, the implementation plan called for U. S. Army users to stop using legacy case development systems on 4 Sep 98 and begin using DSAMS on 21 Sep 98.

It takes some time for users of any new software program to get used to the new program and also the new business processes that will be required. While DSAMS case writing functionality is more comprehensive than any of the three military department case writing systems it is designed to replace, DSAMS will require some change for everyone involved in the case writing process. As further functionality is added to DSAMS over the coming years, the change will ripple throughout activities involved in execution, performance, reconciliation, and closure processes of FMS cases and other Security Assistance programs as they are added. DISAM is one example of an activity that is experiencing change: initial orientation training for military department trainers has been or will be conducted in either DISAM's computer lab facilities or at other sites by DISAM instructors. DSAMS training materials are being initially developed by DSADC personnel, customized by DISAM to conduct orientation training, and further customized by the military departments for specific end user training.

### **Next Issue**

The next edition of the DISAM Journal will include more details about the case writing functionality of DSAMS. Appendix 8 of the 18<sup>th</sup> edition of DISAM's Management of Security Assistance (the Green Book) has additional details about the software. The entire DISAM

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"Green Book" is now available in electronic form as part of the Defense Acquisition Deskbook.<sup>3</sup>

### About the Author

LCDR Nels E. Berdahl, SC, USN, is an Assistant Professor in DISAM's Directorate of Management Studies, and has been involved in the DSAMS project since shortly after reporting to DISAM in August 1996. The article above was written based on his experience as a participant in DSAMS testing and also developing and conducting DSAMS training. He is part of a much larger team effort by the military departments, DSADC, and DSAA to develop and field DSAMS.

LCDR Berdahl came to DISAM after completing his Master of Business Administration degree with concentrations in Management Information Systems and Decision Support Systems at the University of Georgia. His previous tours of duty were as Comptroller of Submarine Group TWO in Connecticut, where he was part of the team that automated submarine supply and food service operations. He was Stock Control Officer, Stores Officer, and ADP officer on board USS Fulton (AS-11), a submarine tender in Connecticut. He was previously involved in Security Assistance during a tour as a division director at Navy International Logistics Control Office—now known as Navy Inventory Control Point/International Programs, and began his Navy career as Supply Officer on USS Flasher (SSN-613), a fast attack submarine. He received his Bachelor's Degree in Business and Management from the University of Maryland in 1979. His service schools include the Shipboard Uniform Automated Data Processing System (SUADPS) and the ICP Academy at Aviation Supply Office—now part of Navy Inventory Control Point. You can contact LCDR Berdahl at DSN 785-5850 or (937) 255-5850 or by email to [nberdahl@disam.wpafb.af.mil](mailto:nberdahl@disam.wpafb.af.mil).

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<sup>3</sup>Defense Acquisition Deskbook is sponsored by ODUSD(AR) and ODUSD(A&T) API. It is maintained by the Deskbook Joint Project Office (JPO), 2275 D Street, Building 16, WPAFB, OH 45433-7233, (937) 255-0423. More information about the Deskbook Reference Library and other Deskbook JPO products is available at their Website, <http://www.deskbook.osd.mil>. Deskbook now contains DoD 5105.38-M, Security Assistance Management Manual (SAMP) and DoD 7000.14-R, DoD Financial Management Regulation, Vol 15. The "Education and Training Materials" link now contains DISAM's Management of Security Assistance - Green Book, FMS Customer Financial Management Handbook (Billing) - Red Book, Current DISAM Course Catalog, Security Assistance Network User Handbook, SAN Web Vols. 1 & 2, and many other documents, regulations, manuals, articles and instructions of interest to the Security Assistance community.

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**Figure 3: Approval of DSAMS-Generated LOA**  
**DEFENSE SECURITY ASSISTANCE AGENCY**

WASHINGTON, DC 20301-2800 2

3 DEC 1997  
In reply refer to:  
1-58418/97

MEMORANDUM FOR DIRECTOR, OPERATIONAL AND LOGISTICS DIRECTORATE  
U.S. ARMY SECURITY ASSISTANCE COMMAND  
DEPARTMENT OF THE ARMY

DIRECTOR, NAVY INTERNATIONAL PROGRAMS  
DEPARTMENT OF THE NAVY (IPO-2C)

DEPUTY UNDER SECRETARY (INTERNATIONAL AFFAIRS)

DEPARTMENT OF THE AIR FORCE (SAF/IA)

DIRECTOR, DEFENSE FINANCE AND  
ACCOUNTING SERVICE (HQ-ADA)

ASSISTANT EXECUTIVE DIRECTOR, SUPPLY MANAGEMENT  
(INTERNATIONAL) DEFENSE LOGISTICS AGENCY (MMBN)

SUBJECT: Approval of Defense Security Assistance Management System (DSAMS)  
Letter of Offer of Acceptance, Modification and Amendment Formats

The DSAMS formats for the subject documents differ slightly from DOD 5105-38-M. Security Assistance Management Manual (SAMM). An example of a DSAMS-produced LOA is attached. It replicates the example in the SAMM.

As we bring the military Departments and Defense Agencies on-line with DSAMS, we'll be making some minor changes to improve the format. We will coordinate these changes if they differ from standardization agreements. The format of documents produced using the DSAMS Case Development Module is acceptable. Non-DSAMS produced documents should continue to use the SAMM format.

A future change to the SAMM will reflect these new formats.

H. Diehl McKalip  
Acting Director



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United States of America  
Letter of Offer and Acceptance (LOA)  
[AT-P-BLZ]

Based on [AUSTDEF ltr 2/265 of 1 Dec 97]

Pursuant to the Arms Export Control Act, the Government of the United States (USG) offers to sell to the [Commonwealth of Australia, Office of the Counsellor Defence Acquisition and Logistics, 1601 Massachusetts Avenue, N.W., Washington, D.C. 20036-2273 the defense articles or defense services (which may include defense design and construction services) collectively referred to as "items." set forth herein, subject to the provisions, terms, and conditions in this LOA.

This LOA [is for Standard Missile Block VI, support items, and services.]

Estimated Cost: [\$19,510,825                      Initial Deposit: [\$19,360,450]

Terms of Sale: [Cash prior to delivery; Dependable undertaking]

[Congressional Notification: 97-17]

This offer expires on [15 March 1998.] Unless a request for extension is made by the Purchaser and granted by the USG, the offer will terminate on the expiration date.

This LOA consists of page 1 through page [11.]

The undersigned are authorized representatives of their Governments and hereby offer and accept, respectively, this LOA:

\_\_\_\_\_  
U.S. Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Purchaser Signature

\_\_\_\_\_  
Date

ROBERT SUTTON

RADM, Director

\_\_\_\_\_  
Typed Name and Title

\_\_\_\_\_  
Typed Name and Title

[Navy International Programs Office] \_\_\_\_\_

Implementing Agency

\_\_\_\_\_  
Agency

\_\_\_\_\_  
DSAA

\_\_\_\_\_  
Date

**Information to be provided by the Purchaser:**

Mark For Code\_\_\_\_\_, Freight Forwarder Code\_\_\_\_\_, Purchaser Procuring Agency  
Code\_\_\_\_\_.

Name and Address of the Purchaser's Paying Office:\_\_\_\_\_

Items to be Supplied (costs and months for delivery are estimates):

(1) Itm Nbr	(2) Description/Condition	(3) Qty. Unit of Issue	(4) Costs		(5) SC/MO S/ TA	(6) Ofr Rel Cde	(7) De Trn Cde
			(a) Unit	(b) Total			
001	[ B2D 141000STDMSYS (Y) STANDARD MISSILE BLOCK VI	40 EA	\$ 448,732.00	\$ 17,949,280	S(4) TA3	Z	8
	(Note(s) 1)						
002	BD2 141000STDCONT (N) CONTAINERS			\$ 347,631	X(4) TA4	A	4
	(Note(s) 2)						
003	M1B 020200MISSLTA (N) TECHNICAL SERVICES			\$ 150,375	X(24) TA4	A	4]

(Note(s) 3)

#### Estimated Cost Summary:

(8) Net Estimated Cost	[\$ 18,447.286
(9) Packing, Crating, and Handling	231,800
(10) Administrative Charge	553.419
(11) Transportation	278.320
(12) Other	0
(13) Total Estimated Cost	\$ 19,510.825]

To assist in fiscal planning, the USG provides the following anticipated costs of the LOA:

#### ESTIMATED PAYMENT SCHEDULE

<u>Payment Date</u>	<u>Quarterly</u>	<u>Cumulative</u>
[Initial Deposit	\$ 19,360,450	\$ 19,360,450
15 Sep 1998	\$ 21,483	\$ 19,381,933
15 Dec 1998	\$ 21,482	\$ 19,403,415
15 Mar 1999	\$ 21,482	\$ 19,424,897
15 Jun 1999	\$ 21,482	\$ 19,446,379
15 Sep 1999	\$ 21,482	\$ 19,467,861
15 Dec 1999	\$ 21,482	\$ 19,489,343
15 Mar 2000	\$ 21,482	\$ 19,510.825]

Explanation for acronyms and codes, and financial information, may be found in the "Letter of Offer and Acceptance Information."

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## Signed Copy Distribution:

1. Upon acceptance, the Purchaser should return one signed copy of this LOA to Defense Finance and Accounting Service - Denver Center, ATTN: DFAS-DE/I, 6760 E. Irvington Place, Denver, CO 80279-2000. Simultaneously, wire transfer of the Initial Deposit (if required) should be made to: United States Treasury, New York, NY, 02103-0004, DFAS-DE, Agency Code 00003801, showing ["Payment from Australia for AT-P-BLZ"]; or, a check for initial deposit should accompany the signed copy of the LOA or be sent simultaneously to DFAS-DE, with a letter identifying the purchaser and the LOA identifier.

2. One signed copy should be returned to [Department of the Navy, Navy International Programs Office, 1111 Jefferson Davis Highway, Suite 701, Arlington, VA 22202-1111.]

[Note 1. Line 1 Description. The configuration of the Standard Missile will be specified in NAVSEA Drawing Number 5246986-13. The missile and its components are classified. All missiles will be issued from stock in Condition Code A and configured with the MK 45 MOD 6 target detecting device. A listing of the exact configuration with ORDALTS and the remaining service life of each component if applicable, will be provided prior to delivery. The dual thrust rocket motors have a remaining service life of ten years. USN assets will be replaced in kind from procurement. The estimated cost is based on contract cost, including management of the replacement procurement. The expected delivery date is 30 August 1998.

Note 2. Line 2 Description. Containers are being prepared for shipment and storage of item 1 defense articles based on documented requests from the Purchaser.

Note 3. Line 3 Description. This includes initial estimated USN or contractor engineering support related to the LOA such as performing technical reviews, analyzing filing data, and answering general technical queries. Specifics will be defined in program management meetings.

Note 4. Expiration Date. The Offer expiration date allows less than the normal time for review in order to meet the contract award date for the replacement procurement.

Note 5. Transportation. The Purchaser will be charged for the use of USG sponsored (Government Bill of Lading) transportation services for items which are classified Confidential or are explosive. This is effective for Offer/Release Code Z and Delivery Term Code 8 items. Items other than classified or hazardous will be shipped Collect Commercial Bill of Lading to applicable freight forwarders.

Note 6. Closure Date. The projected LOA closure date is March 2001.

Note 7. Case Implementation System. This case will be implemented under the Standard Accounting and Reporting System (STARS).

Note 8. Cancellation. The Purchaser may cancel this LOA upon request to the Implementing Agency; however, an administrative charge that equals one-half of the applicable administrative charge rate times the ordered LOA value, which is earned on acceptance, or the applicable administrative charge rate times the actual LOA value at closure, whichever is higher, may be assessed if cancelled after implementation.

Note 9. Assumption of Risk. The USG is a self-insurer, and in this connection your attention is invited to Standard Terms and Conditions Section 5.3. The U.S. Department of Defense shall employ the same inspection procedures for this ammunition as would be used in the procurement of this type of ammunition for itself. Lot production of ammunition, however, carries risks associated with the ammunition's performance. This risk is assumed by the USG in procurement

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for its own use, and risk is also assumed by the Purchaser in procurement for its use under this LOA. Accordingly, financial restitution will not be made for claims made on SF 364. Report of Discrepancy (ROD) (see Standard Terms and Conditions Section 5.4) for ammunition deficiencies unless such claims involve damage due to USG actions with respect to packing, crating, handling, or transportation, or unless the USG can obtain equal restitution from its contractor.